GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Prohibition and Excise –Licence fee and Non-refundable registration charge for bars established in 3-Star and above hotels –orders – Issued

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REVENUE (EXCISE-II) DEPARTMENT

GO.Ms.No.131 **Dated:26-04-2025**

Read the following:

1. Go.Ms.No. 460 Rev (Excise) Department dated 17.06.2022
2. Go.Ms.No. 527 Rev (Excise) Department dated 13.07.2022
3. Government, Memo.No.TRSMOTDC(MISC)/134/2024, YAT&C(T)Dept., Dt:29.08.2024.
4. E-office YTC01-TRSM0TDC(MISC)/134/2024-TOURcomputer No.2504082 and report of Director, Excise and Prohibition dated 27.02.2025
5. Government, Memo.No.TRSMOTDC(MISC)/134/2024, YAT&C(T)Dept., Dt:07.04.2025.
6. From the YAT &C Dept., e-file No. 2504082, along with letter of the Director, Excise & Prohibition, C.R.No. 2199/2022/CPE/E3, Dated:22-04-2025.

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ORDER:

In the reference 1st read above the Government issued Bar policy for the period 2022-25, fixing, among other things, the Licence Fee and Non-refundable Registration Charge for the Bars established in 3-Star and above hotels. Further, in the reference 2nd read above, the Government issued AP Excise (Lease of right of License of selling by bar, grant and conditions of license) Rules, 2022 (Bar Rules 2022) in which the Licence fee and Non-refundable Registration Charge for the Bars established in 3-Star and above hotels are similarly fixed under Rule 27. The following are the details: -

Component	Rs in Lakhs	Enhancement
Licence fee per annum	5.00	Subject to enhancement by 10% each year
Non- refundable Registration Charge per annum	50.00	

2. In the reference 4th read above, Tourism Department has initiated a proposal to reduce the License fee for the Bars established in 3 Star or above category hotels.The VC and MD, APTDC has stated that at present the Licence fee and Non-refundable Registration charge for bars established in 3-Star and above hotels work out to

Rs.66.55 lakhs per annum, the highest in India when compared to the bar license fees for 3-Star and above hotels in other States.

3. The APTDC has further stated that the hospitality industry is a critical sector that contributes to the growth of various sectors in the State. Research indicates that states with lower bar license fee for classified hotels tend to have a higher number of such hotels, fostering a better business environment, increased MICE (Meetings, Incentives, Conferences and Exhibitions) events, more international visitors, higher Foreign Direct Investment (FDI), and great GST collections. The APHA is requesting for reduction in the license fee for all classified hotels (3-star and above) in line with the fee in states like Tamil Nadu, Maharashtra, New Delhi, West Bengal and Karnataka.

4. The Director, Excise and Prohibition has submitted a report stating that the overall assessment of the Tourism Department's proposal suggests that the broader economic impact could be positive, with potential benefits such as growth in the hospitality sector, higher employment generation and increased revenue as the Unclassified hotels may also seek classification and apply for bar licences, increase in footfalls, restaurant increase in sales and encouragement to new investments in the hospitality sector, leading to an expansion of high-end hotels and resorts.

5. The Director, Excise and Prohibition has therefore requested to consider the proposal of the VC& MD, APTDC and reduce the licence fee and Non- refundable registration charge of the bars established in 3-Star and above Hotels to Rs.25 lakhs per annum from the existing Rs.66.55 Lakhs, stating that this initiative would result in positive economic impact in terms of higher employment generation, increased revenue from ancillary streams and give a fillip to the hospitality and tourism industry.

6. Vide reference 5thread above, Tourism Department has informed that Government has approved the proposal for reduction of annual license fees for Bars established in 3 Star or above category Hotels.

7. Accordingly, Director, Excise and Prohibition in reference 6th read above has submitted the proposal on Bar License fee structure for 3-star and above category.

8. Government after careful examination of the matter, hereby fix the following Bar License fee structure for 3-star and above category hotels.

Component	**Rs in Lakhs**
Licence fee per annum	5.00
Non- refundable Registration Charge per annum	20.00

i. The above licence fee structure shall be applicable to the bars established in 3-Star and above hotels irrespective of the population of the locality in which star hotel exists.

ii. There shall be no restriction on the number of bar licences to be granted in the State in respect of 3-Star and above hotels.

iii. The terms and conditions and restrictions in respect of Bars as per the rules made under Section 72 of AP Excise Act 1968 and Section 6 and 12 of the AP (Regulation of Trade in IMFL, FL) Act 1993 from time to time shall be applicable to the bars established in 3-Star and above hotels.

iv. These orders shall come in to force with effect from 1.09.2025.

v. During the interim period if any 3 star and above category hotel applies for licence, it may be given as per the existing policy on payment of proportionate licence fee and non refundable Registration charge for the balance period ending on 31st August 2025.

8. The Director, Excise and Prohibition, AP, shall take necessary action accordingly in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MUKESH KUMAR MEENA
PRINCIPAL SECRETARY TO GOVERNMENT(FAC)

To

The Commissioner of Printing and Stationery and Stores Purchase, AP, Vijayawada (He is requested to furnish 100 copies to Govt. and 500 copies to the Director, Excise & Prohibition, AP, Mangalagiri and 50 copies to the Commissioner, I&PR, Vijayawada)

The Director, Prohibition & Excise, A.P.,Mangalagiri.

The Managing Director, AP State Beverages Corporation Limited, Mangalagiri.

Copy to:

The Law Department.

The Accountant General, Andhra Pradesh, Vijayawada

The Commissioner, I&PR, AP, Vijayawada.

The P.S. to Prl. Secy. to Hon'ble CM.

The PS to Chief Secretary to Government.

The PS to Hon'ble Minister for Prohibition and Excise.

The PS to Prl. Secy. To Govt., Revenue (Excise) Department.

SF/SC.

// FORWARDED :: BY ORDER//

SECTION OFFICER